

Library District Expansion Quick Guide*

(See Indiana Code 36-12-5 for full details)

Four (4) Steps to Determine New Tax Rate When Planning Expansion

Step 1

Create worksheet in Excel with

Rows

- Original Library District
- Expansion District

Columns

- AV (assessed value)
- Total Budget (to be determined)
- Tax Levy (to be determined)
- Tax Rate (to be determined)

Step 2

Determine Values for added service population

To estimate cost of service for added population consult current Indiana Public Libraries statistics page (<http://www.in.gov/library/plstats.htm>) for corresponding population and what taxpayers pay for library service. In this example, population is 8,000 and corresponds with per capita costs as low as \$28 and as high as \$68. Consider the community and needs when selecting the figure. In this example \$30 is chosen, multiplied by 8,000 and raising the budget \$240,000.

Step 3

Third Row Add Together

- Two AV (assessed value)
- Two Budgets
- Two Levies

Step 4

Determine New Tax Rate

Sample Spreadsheet for Expansion

2010	AV	Total Budget	Tax Levy	Tax Rate
Original Library District	\$500,000,000	\$788,000	\$500,000	0.1000
Expansion District	\$30,000,000	\$240,000	\$240,000	
New Tax Rate	\$530,000,000	\$1,028,000	\$740,000	0.1396

LDO is available for assistance. Assessed Values can be found on DLGF website for budget year.

To determine a typical homeowner's new tax bill for library services contact County Auditor for assessed values on typical properties in the district, multiply by the new tax rate to determine the tax liability.

How Is The Tax Rate For the Library District Set?

An expanded library district operates with a single tax rate, as determined by the library board and certified by the county auditor. The Department of Local Government Finance sets the maximum levy, based on the budget proposed by the library board. The levy, divided by the assessed valuation and multiplied by one hundred, yields the tax rate.

$$100 \times \frac{\text{Maximum Levy}}{\text{Assessed Valuation}} = \text{Tax Rate}$$

* The Indiana State Library recommends that libraries work with their attorneys during the expansion process. Information, documentation, and forms provided by the Indiana State Library are not intended to and should not replace the assistance and guidance provided by the library's attorney.

Library Board

- Files a proposal of expansion with the un-served township's legislative body according to the law
- OR, files a proposal of expansion with the legislative body of a county if the proposal involves more than one township
- Indicates intent to file, with the appropriate legislative body, a petition for the acceptance of the proposal to expand **[RECOMMENDED]**
- Collects signatures for the petition approving the proposal to expand

Township Legislative Body (Single Township)

- Receives the proposal to expand from the library board
- **IF** the library has not indicated an intent to file a petition accepting the proposal to expand, the legislative body may agree to the library's proposal via written resolution
- Publishes notice of the proposal to expand according to the law
- Compares certified petitions/remonstrances received from the County Clerk
- Approves or dismisses proposal to expand according to the law
- Notifies County Recorder and Indiana State Library of approved proposal to expand

County Legislative Body (Multiple Townships)

- Receives the proposal to expand from the library board
- **IF** the library has not indicated an intent to file a petition accepting the proposal to expand, the legislative body may agree to the library's proposal via written resolution
- Publishes notice of proposal to expand according to the law
- Compares certified petitions/remonstrances received from the County Clerk
- Approves or dismisses proposal to expand according to the law

Registered Voters

- Sign the petition to accept the library board's proposal to expand
- OR, sign the remonstrance opposing the proposal to expand
- File petitions/remonstrances with the County Clerk

County Clerk

- Receives and certifies all petitions and remonstrances according to the law
- Notifies legislative bodies of certified petitions/remonstrances

County Recorder and Indiana State Library

- Receives notice of approved proposal to expand from appropriate legislative body